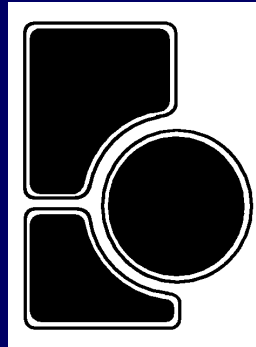


**Joint Legislative Audit and Review Commission
of the Virginia General Assembly**



**VRS Oversight and the 1999 Legislator's
Guide to the Virginia Retirement System**

**VRS Board of Trustees Annual Retreat
June 17, 1999**

Virginia Retirement System Oversight

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- Section 30-78 *et seq.* of *Code of Virginia* requires JLARC to oversee and evaluate VRS on a continuing basis
- Areas for review and evaluation include:
 - Structure and governance
 - Investment practices, policies, and performance
 - Semi-annual investment report required
 - Actuarial policy and actuarial soundness
 - Quadrennial actuarial review required
 - Administration and management

Virginia Retirement System Oversight

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■ VRS required to submit reports

- Semi-annual and annual investment performance reports
- Biennial actuarial report
- Other information as requested

■ JLARC required to publish reports

- Informational guide for legislators
- Biennial status report
- Quadrennial actuarial analysis

Goals of VRS Oversight

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- **Provide accurate, timely information about the retirement system to the General Assembly**
- **Strengthen accountability of the retirement system to the General Assembly**
- **Promote regular communication between the retirement system and the General Assembly**
- **Strengthen confidence of employees, retirees, and the public in the retirement system**

Legislator's Guide to the Virginia Retirement System

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- This edition of the guide updates information on benefits and funding that was included in the 1996 publication
 - Enhanced single multiplier for determining benefits
 - Virginia Sickness and Disability Program
 - 50/30 retirement benefits
 - Enhanced retiree health insurance credit
 - Employer match of the deferred compensation program
- VRS staff assisted with the updates to the current document

Legislator's Guide to the Virginia Retirement System

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- The *Legislator's Guide* has six primary sections
 - Answers to some commonly asked questions regarding the retirement system are on the first few pages
 - **Part I** contains information regarding VRS' organization and structure
 - **Part II** addresses benefit programs and services
 - **Part III** overviews the funding of benefits
 - **Part IV** highlights the system's investment program
 - **Part V** addresses recent State retirement-related legislation

Frequently Asked Questions About VRS

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- Provides responses to more than 25 questions concerning VRS benefits, funding, and investments. For example:

- How are pension benefits funded?
- How are the pension trust funds invested?
- What pension benefit payment options are available?
- When can an employee retire with full benefits?
- Is the pension benefit taxable?
- How does the deferred compensation plan work?

Part I:

Organization and Management Structure

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- **VRS Board and Advisory Committee Members**
- **VRS Organizational Charts**
- **VRS Strategic Business Objectives**
- **VRS Staffing and Expenses**
- **Local Retirement Systems Independent of VRS**

Part II:

Benefit Programs and Services

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- **VRS Membership Characteristics**
- **VRS Benefit Structure/Programs**
- **Chronology of Benefit Structure Development**
 - **Includes Benefit Enhancements Authorized by 1999 General Assembly**
- **Optional Benefit Provisions Selected by Localities**
- **Prior Studies of VRS Benefits**

Part III:

Funding of Benefits

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- **Pension Funding and Rate-Setting Process**
- **VRS Contribution Rate Trends**
- **VRS Funding Status Trends**
- **Group Life Insurance Funding**

Part IV:

VRS Investment Program

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- **Overview of VRS Investment Program and Objectives**
- **VRS Fund Performance**
- **Overview of Deferred Compensation Program and Performance**
- **Recent JLARC Semi-Annual Investment Reports**

Part V:

State Retirement-Related Legislation

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- Discussion of recent State legislation affecting public employee retirement systems
- Overview of State retirement-related legislation passed during the 1997, 1998, and 1999 General Assembly Sessions

Future Updates and Revisions

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- Guide will be updated periodically to ensure information is accurate and up-to-date
- JLARC Internet website version will be updated as new information becomes available